

FRANKLIN COUNCIL ON AGING, INC.

*Financial Statements
For the Year Ended June 30, 2021*

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2021
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FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Franklin Council on Aging, Inc.
Winnsboro, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Franklin Council on Aging, Inc., as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Council as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information for the Franklin Council on Aging, Inc., as of June 30, 2021, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 7 and 21 through 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurances.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Franklin Council on the Aging, Inc. basic financial statements. The supplemental information schedules required by GOEA are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements.

The combining nonmajor fund financial statements, schedule of compensation, benefits and other payments to agency head or chief executive officer and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Directors
Franklin Council on Aging, Inc.
Winnsboro, Louisiana
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The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated October 14, 2021, on my consideration of the Council's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering Franklin Council on Aging's internal control over financial reporting and compliance.

David M. Smith, CPA (SPPAC)

West Monroe, Louisiana
October 14, 2021

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

FRANKLIN COUNCIL ON AGING
714 Adams Street
Winnsboro, LA 71295

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Franklin Council on Aging provides an overview of the Council's activities for the year ended June 30, 2021. Please read it in conjunction with the Council's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Council as a whole.

Reporting the Council as a Whole

The Statement of Net Position and the Statement of Activities

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Council's net position and changes in them. The Council's net position – the difference between assets and liabilities – measure the Council's financial position. The increase or decrease in the Council's net position are an indicator of whether its financial position is improving or deteriorating.

THE COUNCIL AS A WHOLE

For the years ended June 30, 2021 and 2020:

	<u>06/30/21</u>	<u>06/30/20</u>
Beginning net position	\$566,868	\$554,715
Increase (Decrease) in net position	<u>(52,125)</u>	<u>12,153</u>
Ending net position	<u>\$514,743</u>	<u>\$566,868</u>

THE COUNCIL'S FUNDS

The following schedule presents a summary of revenues and expenses for the fiscal year ended June 30, 2021, and the amount and percentage of increases and decreases in relation to the prior year.

Revenues	June 30, 2021	Percent of Total	Increase (Decrease) From June 30, 2020	Percent Increase (Decrease)
Intergovernmental	\$260,115	54%	\$17,028	7%
Property Taxes	217,249	45%	\$10,990	5%
Public Support	3,193	1%	(\$880)	-22%
Rental Income	0	0%	\$0	0%
Interest Income	919	0%	(\$3,976)	-81%
Miscellaneous	0	0%	\$0	0%
Totals	<u>\$481,476</u>	<u>100%</u>	<u>\$23,162</u>	<u>-90%</u>

Revenues	June 30, 2020	Percent of Total	Increase (Decrease) From June 30, 2019	Percent Increase (Decrease)
Intergovernmental	\$243,087	53%	\$107,573	79%
Property Taxes	206,259	56%	(3,025)	-1%
Public Support	4,073	1%	(1,628)	-29%
Rental Income	0	0%	0	0%
Interest Income	4,895	1%	1,753	56%
Miscellaneous	0	0%	0	0%
Totals	<u>\$458,314</u>	<u>111%</u>	<u>\$104,673</u>	<u>105%</u>

Revenues for the Council increased for the year ending June 30, 2021 compared to the prior year, mainly due to the increase in state funding and property taxes.

Revenues for the Council increased for the year ending June 30, 2020 compared to the prior year, mainly due to the increase in state funding.

Expenses	June 30, 2021	Percent of Total	Increase (Decrease) From June 30, 2020	Percent Increase (Decrease)
Total	\$533,601	100%	\$89,500	17%

Expenses	June 30, 2020	Percent of Total	Increase (Decrease) From June 30, 2019	Percent Increase (Decrease)
Total	\$444,101	100%	\$62,414	14%

The Council's expenses increased for the year ending June 30, 2021 because of the increase in meals and transportation costs.

BUDGETARY HIGHLIGHTS

The Council's total revenues in fiscal year 2021 for the General Fund were over the final budget by \$2,363. Only that portion of the property tax expected to be used to cover expenses is budgeted. Actual expenses for the Council for the General Fund were under the final budget by \$77,504. The General Fund is budgeted and used in support of other programs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2021 and 2020, the Council had \$40,059 and \$56,612 (net of depreciation) invested in capital assets including buildings and improvements, furniture and fixtures, equipment, and vehicles.

	June 30, 2021	June 30, 2020
Building Improvements	\$29,874	\$29,874
Furniture & Fixtures	24,298	24,298
Vehicles	131,890	131,890
Accumulated Depreciation	(146,003)	(129,450)
Totals	<u>\$40,059</u>	<u>\$56,612</u>

The Council made no purchases during the year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND REVENUES

The Council's revenues are derived mainly from three sources, United States Department of Health and Human Services Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council, Property Tax Millage and Public Support. The Council does not anticipate any major increase or decrease in the revenues for the coming year.

CONTACTING THE COUNCIL'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have questions concerning this report or need additional financial information, contact the Franklin Parish Council on Aging, 714 Adams Street Winnsboro, LA 71295.

Kay Thompson
Director

GOVERNMENT-WIDE FINANCIAL STATEMENTS

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 220,132
Certificates of Deposit	275,414
Accounts Receivable	5,599
Utility Deposits	100
Capital Assets:	
Depreciable	<u>40,059</u>
<u>TOTAL ASSETS</u>	541,304
<u>LIABILITIES</u>	
Accounts Payable	6,979
Accrued Expenses	12,421
Noncurrent Liabilities	
Compensated Absences	<u>7,161</u>
<u>TOTAL LIABILITIES</u>	26,561
<u>NET POSITION</u>	
Net Investment in Capital Assets	40,059
Unrestricted, Utility Assistance	-
Unrestricted, Unreserved	<u>474,684</u>
<u>TOTAL NET POSITION</u>	<u><u>\$ 514,743</u></u>

The accompanying notes are an integral part of this financial statement.

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Direct Expenses</u>	<u>Indirect Expenses</u>
Function/Program Activities		
Governmental Activities:		
Health, Welfare and Social Services:		
Supportive Services:		
Homemaker	\$ 13,116	\$ 16,327
Information and Assistance	6,292	8,360
Outreach	199	255
Transportation	61,333	67,821
Other Services	7,083	6,600
Nutrition Services:		
Congregate Meals	-	-
Home Delivered Meals	141,717	118,114
Utility Assistance	-	-
Disease Prevention and Health Promotion	-	-
National Family Caregiver Support	167	411
Senior Activities	59,396	-
Administration	26,410	-
	<u>\$ 315,713</u>	<u>\$ 217,888</u>
Total Governmental Activities		

Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities
	Operating Grants and Contributions	Capital Grants and Contributions	
\$ -	\$ 10,509	\$ -	\$ (18,934)
-	5,229	-	(9,423)
-	162	-	(292)
-	46,096	-	(83,058)
-	4,884	-	(8,799)
-	46,440	-	46,440
-	2,605	-	(257,226)
-	-	-	-
-	-	-	-
-	300	-	(278)
-	-	-	(59,396)
-	3,193	-	(23,217)
<u>\$ -</u>	<u>\$ 119,418</u>	<u>\$ -</u>	<u>\$ (414,183)</u>

General Revenues:

Grants and Contributions not Restricted	
to Specific Programs	143,890
Property Taxes	217,249
Interest Income	919
Miscellaneous	-
Total General Revenues	<u>362,058</u>
Changes in Net Position	(52,125)
Net Position - Beginning	<u>566,868</u>
Net Position - Ending	<u>\$ 514,743</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2021

	<u>General Fund</u>	<u>Title III B Supportive Services</u>	<u>Title C-1 Congregate Meals</u>	<u>Title C-2 Home Delivered Meals</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 219,170	\$ -	\$ -	\$ 962
Certificates of Deposits	275,414	-	-	-
Accounts Receivable	-	5,574	-	-
Utility Deposits	100	-	-	-
Due From Other Funds	-	-	-	3,996
<u>TOTAL ASSETS</u>	<u>\$ 494,684</u>	<u>\$ 5,574</u>	<u>\$ -</u>	<u>\$ 4,958</u>
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 418	\$ 1,600	\$ -	\$ 4,958
Other Accrued Expenses	12,421	-	-	-
Due To Other Funds	-	3,974	-	-
Total Liabilities	<u>12,839</u>	<u>5,574</u>	<u>-</u>	<u>4,958</u>
<u>FUND BALANCE</u>				
Fund Balance				
Restricted for:				
Utilities Assistance	-	-	-	-
Unassigned	<u>481,845</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>481,845</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 494,684</u>	<u>\$ 5,574</u>	<u>\$ -</u>	<u>\$ 4,958</u>

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET POSITION OF
GOVERNMENTAL ACTIVITIES
JUNE 30, 2021

Nonmajor Governmental Funds	Total Governmental Funds		
		Total Governmental Fund Balances	\$ 481,845
		<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
\$ -	\$ 220,132		
-	275,414		
25	5,599		
-	100		
-	3,996	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	40,059
<u>\$ 25</u>	<u>\$ 505,241</u>		
		Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(7,161)</u>
\$ 3	\$ 6,979	Net Position of Governmental Activities	<u>\$ 514,743</u>
-	12,421		
<u>22</u>	<u>3,996</u>		
<u>25</u>	<u>23,396</u>		
-	-		
-	481,845		
-	481,845		
<u>\$ 25</u>	<u>\$ 505,241</u>		

The accompanying notes are an integral part of this financial statement.

FRANKLIN COUNCIL ON AGING, INC
WINNSBORO, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Title III B Supportive Services</u>	<u>Title C-1 Congregate Meals</u>	<u>Title C-2 Home Delivered Meals</u>
<u>REVENUES</u>				
Intergovernmental	\$ 143,890	\$ 66,880	\$ 46,440	\$ 2,605
Property Taxes	217,249	-	-	-
Public Support	2,395	157	-	641
Interest Income	919	-	-	-
BCBLA Founation Grant	-	-	-	-
Total Revenues	<u>364,453</u>	<u>67,037</u>	<u>46,440</u>	<u>3,246</u>
<u>EXPENDITURES</u>				
Current:				
Salaries	29,421	129,109	-	140,918
Fringe	2,283	10,153	-	11,126
Travel	1,181	5,145	-	11,039
Operating Services	-	32,044	-	36,238
Operating Supplies	13,282	10,935	-	10,429
Other Costs	23,805	-	-	50,081
Capital Outlay	568	-	-	-
Utility Assistance	-	-	-	-
Total Expenditures	<u>70,540</u>	<u>187,386</u>	<u>-</u>	<u>259,831</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	293,913	(120,349)	46,440	(256,585)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers - In	36,146	143,602	-	256,585
Operating Transfers - Out	<u>(366,918)</u>	<u>(23,253)</u>	<u>(46,440)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(330,772)</u>	<u>120,349</u>	<u>(46,440)</u>	<u>256,585</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</u>	(36,859)	-	-	-
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>518,704</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 481,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Nonmajor Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances - Total Governmental Funds	\$ (36,859)
\$ 300	\$ 260,115	<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
-	217,249	Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
-	3,193	Capital asset purchases capitalized	-
-	919	Depreciation expense	(16,553)
-	-		(16,553)
300	481,476		
404	299,852		
32	23,594		
10	17,375	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	
110	68,392		
22	34,668		
-	73,886		1,287
-	568		
-	-		
578	518,335	Change in Net Position in Governmental Activities	<u>\$ (52,125)</u>
(278)	(36,859)		
-	436,333		
278	(436,333)		
278	-		
-	(36,859)		
-	518,704		
\$ -	\$ 481,845		

The accompanying notes are an integral part of this financial statement.

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1- Summary of Significant Accounting Policies

The financial statements of the Franklin Council on Aging, Inc. have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These statements have also incorporated any applicable requirements set forth by *Audits of State and Local Governments*, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VI-Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs contractors, and the *Louisiana Governmental Audit Guide*. The more significant of the Council's accounting policies are described below. In October 2019, oversight of the Council was turned over to CENLA Area Agency on Aging, Inc. from North Delta Regional Planning and Development District.

A. Reporting Entity

In 1964, the State of Louisiana passed Act 456 that authorized the charter of voluntary councils on aging for the welfare of the aging people in their representative parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Franklin Council on Aging, Inc. is a non-profit, quasi-public, corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. The Council also receives revenues from other federal, state, and local government agencies that may impose certain restrictions upon how the Council can use the money that they have provided.

The primary function of the Franklin Council on Aging, Inc. is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals, nutritional education, information and referral services, legal assistance, homemaker services, operating senior centers, and transportation. A Board of Directors, consisting of 15 voluntary members who serve three-year terms governs the Council.

The Council is not a component unit of another primary government nor does it have any component units that are related to it. Therefore, the Council has presented its financial statements as a separate special purpose government.

B. Financial Reporting

The Council follows the provisions of the Governmental Accounting Standards Board Statement, Nos. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (Statement 34), 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* (Statement 37), and 38, *Certain Financial Statement Note Disclosures* (Statement 38), which establish the financial reporting standards for all state and local governmental entities.

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1- Summary of Significant Accounting Policies (continued)

B. Financial Reporting (continued)

The accompanying government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions of behalf of the Council. The Council accounts for its funds as governmental funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Office of Elderly Affairs funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Most of the Council's special revenue funds are provided by GOEA. The Title III funds are provided by the United States Department of Health and Human Services Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

The Council reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (federal, state, or local) from which they are derived. The following types of programs comprise the Council's General Fund:

Local Funds

Local funds are received from various local sources; such funds not being restricted to any special use.

PCOA (ACT 735) Funds

PCOA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council on Aging. The Council may use these "Act 735" funds at its discretion provided the program is benefiting people who are at least 60.

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note I- Summary of Significant Accounting Policies (continued)

B. Financial Reporting (continued)

Senior Center Fund

This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity and encourage their involvement in and with the community.

Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various Councils on Aging through the state to be used to supplement the primary state grant for senior centers. Franklin Council on Aging, Inc. was one of the parish councils to receive a supplemental grant.

Title III-B Supportive Services Fund

This program provides access services, in-home services, community services, legal assistance and transportation for the elderly.

Title III C-1 Congregate Meals Fund

These funds are used to provide nutritional congregate meals to the elderly in strategically located centers.

Title III C-2 Home Delivered Meals Fund

These funds are used to provide nutritional meals to home-bound older persons.

The remaining nonmajor funds are as follows:

Title III-E National Family Caregiver Support

To assist in providing multifaceted systems of support services for family caregivers and grandparents or older individuals who are relative caregivers.

Utility Assistance Fund

The Utility Assistance fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish Councils on Aging to provide assistance to the elderly for the payment of their utility bills.

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1- Summary of Significant Accounting Policies (continued)

C. Compensated Absences

Employees of the Franklin Council on Aging, Inc. earn from 10 to 21 days of annual leave each year with 30 days allowed to be carried over to next year, depending on their length of service and the employee's working status (full-time or part-time). Employees are compensated upon termination of employment for accrued annual leave up to 30 days. Employees earn up to 12 days of sick leave each year, and can accumulate up to 60 days, depending upon whether the employee is on a part-time or full-time status. Employees are not paid for accrued sick leave at termination and no accrual has been made.

D. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Funding Policies and Sources of Funds

The Council receives its monies through various methods of funding. NSIP program funds are provided through the Louisiana Governor's Office of Elderly Affairs to help offset raw food cost in Title III C-1 and C-2 programs. This program is funded under the units of service provided method. The Senior Center program and State Allocation (PCOA) and Supplemental Senior Center funds are received as a monthly allocation of the total budget (grant) in advance of the actual expenditure. The Title III-B, C-1, C-2, and E programs are funded based on actual operating cost incurred. The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, and C-2 programs. Utility assistance funds are also provided by the Louisiana Association of Council on Aging to the Council under the Helping Hands and Heating Help Energy programs.

E. Funding Policies and Sources of Funds (continued)

All of the above mentioned funds, including any other miscellaneous income, are recorded as revenue when the cash is received because the Council cannot predict the timing and amount of receipt.

F. Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1- Summary of Significant Accounting Policies (continued)

F. Fund Equity

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Council’s board of directors – the Council’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the board of directors remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – This classification reflects the amounts constrained by the Council’s “intent” to be used for specific purposes, but are neither restricted nor committed. The board of directors and management has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the council’s policy is to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

Note 2 - Cash and Certificates of Deposit

Custodial Credit Risk - Deposits

The custodial credit risk is the risk that in the event of a bank failure, the Council’s deposits may not be returned to it. The Council’s policy to ensure there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Council that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the Council had no custodial risk related to its deposits at June 30, 2021.

At June 30, 2021, the Council has cash and cash equivalents (book balances net of overdrafts) in the amount of \$220,132.

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 2 - Cash and Certificates of Deposit

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable by both parties. The following is a schedule of the Council's cash and certificates of deposit at June 30, 2021. Differences between Council balances and the bank balances arise because of the net effect of deposits in transit and outstanding checks.

	<u>Council Balances</u>	<u>Bank Balances</u>
Cash on Deposit	\$ 220,132	\$ 220,179
Certificates of Deposit	<u>275,414</u>	<u>275,414</u>
<u>TOTAL</u>	<u>\$ 495,546</u>	<u>\$ 495,593</u>

The Council's deposits are under collateralized as follows:

FDIC Insured Deposits	\$ 250,000
Uninsured Deposits:	
Collateralized	<u>-</u>
Total Deposits	<u>\$ 250,000</u>

Note 3 - Receivables

The Council had \$5,599 in accounts receivable at June 30, 2021.

Note 4 - Fixed Assets

Fixed asset activity for the year ended June 30, 2021 is as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
Depreciable Assets:				
Building Improvement	\$ 29,874	\$ -	\$ -	\$ 29,874
Vehicles	131,890	-	-	131,890
Machinery & Equipment	<u>24,298</u>	<u>-</u>	<u>-</u>	<u>24,298</u>
Totals at Historical Cost	186,062	-	-	186,062

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Less Accumulated Depreciation

For:				
Building Improvement	(23,501)	(771)	-	(24,272)
Vehicles	(79,301)	(15,337)	-	(94,638)
Machinery & Equipment	(26,648)	(445)	-	(27,093)
Total Accumulated Depreciation	(129,450)	(16,553)	-	(146,003)
Fixed Assets, Net	\$ 56,612	\$(16,553)	\$ -	\$ 40,059

Depreciation was charged to Administration activities of the Council for \$16,553.

Note 5- Long-Term Debt

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Other Liabilities:					
Accrued Vacation	\$ 8,448	\$ -	\$ 1,287	\$ 7,161	\$ 7,161

Payment of compensated absences is dependent upon many factors; therefore, the timing of future payments is not readily determinable.

Note 6 - In-Kind Contributions

The Council received various in-kind contributions during the year. These in-kind contributions have not been recorded in the financial statements as revenues, nor has the expenditure related to the use of the in-kind been recorded.

The primary in-kind contributions consisted of free rent and utilities for the senior center and meal sites, and wages and fringe benefits for volunteer workers.

Note 7 - Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for out-of-town travel expenses incurred in accordance with the Council's regular personnel policy.

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 8 - Income Tax Status

The Council, a non-profit corporation is exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made; however, should the organization engage in activities unrelated to its exempt purpose, taxable income could result. The organization had no unrelated business income for the year ended June 30, 2021. The earliest income tax year that is subject to examination is 2017.

Note 9 - Litigation and Claims

There was no litigation pending against the Council at June 30, 2021, nor is the Council aware of any unasserted claims.

Note 10- Federal Award Programs

The Council receives revenues from various federal and state grant programs that are subject to final review and approval as to the allowability of expenditures by the respective grantor agencies. These programs are audited in accordance with the *Single Audit Act Amendment of 1996* and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Any settlements or expenses arising out of a final review are recognized in the period agreed upon by the agency and the Council. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

Note 11-Economic Dependency

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

Note 12-Related Party Transactions

There were no related party transactions during the year.

Note 13-Risk Management

The Council is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the Council's insurance coverage.

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Note 14-Interfund Transfers

Operating transfers in and out are listed by fund for 2021:

<u>Funds Transferred In</u>	<u>Funds Transferred Out</u>						<u>PCOA</u>	<u>Total In</u>
	<u>Supplemental Senior Center</u>	<u>Senior Center</u>	<u>Title III C1</u>	<u>Title III C2</u>	<u>Title III B</u>	<u>General Fund</u>		
Title IIIB - Supportive Services	\$ -	\$ -	\$ -	-	\$ -	\$ 93,602	\$ 50,000	\$ 143,602
Title III C-1	-	-	-	-	-	-	-	-
Title III C-2	-	-	46,440	-	23,253	136,892	50,000	256,585
General Fund	-	-	-	-	-	9,727	-	9,727
Title III E	-	-	-	-	-	278	-	278
Senior Center	<u>10,913</u>	-	-	-	-	<u>15,506</u>	-	<u>26,419</u>
Total Out	<u>\$ 10,913</u>	<u>\$ -</u>	<u>\$46,440</u>	<u>\$ -</u>	<u>\$23,253</u>	<u>\$256,005</u>	<u>\$100,000</u>	<u>\$ 436,333</u>

Note 15-Property Tax Revenue

During 2001, Franklin Parish passed a 2.07 mill property tax to help support the Council's activities and services. The revenue for the year ended June 30, 2021 was \$217,249. The Franklin Parish Sheriff's Department issues a check to the Council on a monthly basis based on the taxes collected by Tax Assessor's Office.

Note 16-Council on Aging Building

The Council was appropriated \$200,000 in 2001 to purchase and renovate a new facility. The Council's attorney as well as the Town of Winnsboro's attorney determined that based on an opinion from the State Attorney General that the Council was not allowed to own the building purchased with State funds. The Council purchased the building from the bank, which held the mortgage, and then sold the building to the Town of Winnsboro. The Council then paid the Town of Winnsboro \$140,000 as an up front payment for a 99-year lease. The \$140,000 was all that the Council received from the original appropriation. There will be no payments due on the lease over the course of the term.

Note 17 -Subsequent Events

Subsequent events have been evaluated through October 14, 2021, which the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 143,890	\$ 143,890	\$ 143,890	\$ -
Property Taxes	206,000	215,000	217,249	2,249
Public Support	2,000	2,800	2,395	(405)
Interest Income	1,500	400	919	519
Miscellaneous	-	-	-	-
Total Revenues	353,390	362,090	364,453	2,363
<u>Expenditures</u>				
Salaries	62,385	78,651	29,421	49,230
Fringe Benefits	4,970	6,294	2,283	4,011
Travel	930	1,676	1,181	495
Operating Services	-	19,487	-	19,487
Operating Supplies	17,102	19,487	13,282	6,205
Other Costs	20,936	22,449	23,805	(1,356)
Capital Outlay	-	-	568	(568)
Total Expenditures	43,938	148,044	70,540	77,504
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	309,452	214,046	293,913	79,867
<u>Other Financing Sources (Uses)</u>				
Transfers Out	(237,029)	(247,521)	(330,772)	(83,251)
<u>Net Change in Fund Balance</u>	72,423	(33,475)	(36,859)	(3,384)
<u>Fund Balance at Beginning of Year</u>	518,704	518,704	518,704	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 591,127</u>	<u>\$ 485,229</u>	<u>\$ 481,845</u>	<u>\$ (3,384)</u>

The accompanying notes are an integral part of this financial statement.

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
TITLE III B - SUPPORTIVE SERVICES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
<u>Revenues</u>				
Intergovernmental	\$ 66,880	\$ 43,627	\$ 66,880	\$ 23,253
Public Support	50	100	157	57
Total Revenues	66,930	43,727	67,037	23,310
<u>Expenditures</u>				
Salaries	118,844	69,689	129,109	(59,420)
Fringe	9,469	5,577	10,153	(4,576)
Travel	3,239	4,509	5,145	(636)
Operating Services	43,000	25,614	32,044	(6,430)
Operating Supplies	10,750	8,090	10,935	(2,845)
Other Costs	400	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	185,702	113,479	187,386	(73,907)
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	(118,772)	(69,752)	(120,349)	(50,597)
<u>Other Financing Sources (Uses)</u>				
Transfers In	118,772	69,752	120,349	50,597
<u>Net Change in Fund Balance</u>	-	-	-	-
<u>Fund Balance at Beginning of Year</u>	-	-	-	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
TITLE CI - CONGREGATE MEALS
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Over
				(Under)
<u>Revenues</u>				
Intergovernmental	\$ 55,728	\$ 55,728	\$ 46,440	\$ (9,288)
Public Support	1,400		-	-
Total Revenues	57,128	55,728	46,440	(9,288)
<u>Expenditures</u>				
Salaries	59,728	-	-	-
Fringe	4,759	-	-	-
Travel	921	-	-	-
Operating Services	25,340	-	-	-
Operating Supplies	4,658	-	-	-
Other Costs	64,350	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	159,756	-	-	-
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	(102,628)	55,728	46,440	(9,288)
<u>Other Financing Sources (Uses)</u>				
Transfers In	102,628	(55,728)	(46,440)	9,288
<u>Net Change in Fund Balance</u>	-	-	-	-
<u>Fund Balance at Beginning of Year</u>	-	-	-	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
TITLE C2 - HOME DELIVERED MEALS
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Over
				(Under)
<u>Revenues</u>				
Intergovernmental	\$ 96,893	\$ 120,146	\$ 2,605	\$ (117,541)
Public Support	750	500	641	141
Total Revenues	97,643	120,646	3,246	(117,400)
<u>Expenditures</u>				
Salaries	73,479	134,878	140,918	(6,040)
Fringe	5,854	10,794	11,126	(332)
Travel	9,707	11,109	11,039	70
Operating Services	20,355	41,009	36,238	4,771
Operating Supplies	5,245	10,849	10,429	420
Other Costs	56,112	170,900	50,081	120,819
Capital Outlay	-	-	-	-
Total Expenditures	170,752	379,539	259,831	119,708
<u>Excess (Deficiency) of Revenues</u>				
<u>Over Expenditures</u>	(73,109)	(258,893)	(256,585)	2,308
<u>Other Financing Sources (Uses)</u>				
Transfers In	73,109	258,893	256,585	(2,308)
<u>Net Change in Fund Balance</u>	-	-	-	-
<u>Fund Balance at Beginning of Year</u>	-	-	-	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2021

The Council follows these procedures in establishing the budgetary data reflected in these financial statements:

The Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for each program's grant award.

The Executive Director prepares a proposed budget based on the funding levels provided by GOEA and then submits the budget to the Board of Directors for approval.

The Board of Directors reviews and adopts the budget before June 30th of the current year for the next year.

The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final approval.

All budgetary appropriations lapse at the end of each fiscal year (June 30).

The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

The Council may transfer funds between line items as often as required, but must obtain prior approval for the Governor's Office of Elderly Affairs for funds received under grants from this state agency.

Expenditures cannot legally exceed appropriations on an individual level.

Amounts were not budgeted for revenues and expenses for the utility assistance fund because they were not legally required and the amount of revenues to be received under this program could not be determined.

SUPPLEMENTAL INFORMATION SCHEDULES REQUIRED BY
GOEA

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA

GENERAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2021

	Programs of the General Fund					Total
	Local	PCOA (Act 735)	Senior Center	Supp. Senior Center	MIPPA	General Fund
<u>ASSETS</u>						
Cash & Cash Equivalents	\$ 218,793	\$ -	\$ 377	\$ -	\$ -	\$ 219,170
Certificates of Deposit	275,414	-	-	-	-	275,414
Accounts Receivable	-	-	-	-	-	-
Utility Deposits	100	-	-	-	-	100
Due From Other Funds	-	-	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 494,307</u>	<u>\$ -</u>	<u>\$ 377</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 494,684</u>
<u>LIABILITIES AND FUND BALANCE</u>						
<u>LIABILITIES</u>						
Accounts Payable	\$ 41	\$ -	\$ 377	\$ -	\$ -	\$ 418
Other Accrued Expenses	12,421	-	-	-	-	12,421
Due To Other Funds	-	-	-	-	-	-
	12,462	-	377	-	-	12,839
Unassigned	481,845	-	-	-	-	481,845
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 494,307</u>	<u>\$ -</u>	<u>\$ 377</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 494,684</u>

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA

GENERAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2021

	Programs of the General Fund					Total General Fund
	Local	PCOA (Act 735)	Senior Center	Supp. Senior Center	MIPPA	
<u>Revenues</u>						
Intergovernmental	\$ -	\$ 100,000	\$ 32,977	\$ 10,913	\$ -	\$ 143,890
Property Taxes	217,249	-	-	-	-	217,249
Public Support	2,395	-	-	-	-	2,395
Interest Income	919	-	-	-	-	919
Miscellaneous	-	-	-	-	-	-
Total Revenues	220,563	100,000	32,977	10,913	-	364,453
<u>Expenditures</u>						
Salaries	-	-	29,421	-	-	29,421
Fringe Benefits	-	-	2,283	-	-	2,283
Travel	-	-	1,181	-	-	1,181
Operating Supplies	-	-	13,282	-	-	13,282
Operating Services	11,144	-	12,661	-	-	23,805
Capital Outlay	-	-	568	-	-	568
Total Expenditures	11,144	-	59,396	-	-	70,540
<u>Excess of Revenues Over</u> <u>Expenditures</u>	209,419	100,000	(26,419)	10,913	-	293,913
<u>Other Financing Sources (Uses)</u>						
Operating Transfers In	9,727	-	26,419	-	-	36,146
Operating Transfers Out	(256,005)	(100,000)	-	(10,913)	-	(366,918)
Total Other Financing Sources (Uses)	(246,278)	(100,000)	26,419	(10,913)	-	(330,772)
<u>Excess of Revenues and Other</u> <u>Financing Sources Over</u> <u>Expenditures and Other</u> <u>Financing Uses</u>	(36,859)	-	-	-	-	(36,859)
<u>Fund Balance at Beginning of Year</u>	518,704	-	-	-	-	518,704
<u>FUND BALANCE AT</u> <u>END OF YEAR</u>	\$ 481,845	\$ -	\$ -	\$ -	\$ -	\$ 481,845

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	<u>Title III E</u> <u>Caregiver</u>	<u>Utilities</u> <u>Assistance</u>	<u>Total Nonmajor</u> <u>Special Revenue</u> <u>Funds</u>
<u>ASSETS</u>			
Cash & Cash Equivalents	\$ -	\$ -	\$ -
Receivables	25	-	25
<u>TOTAL ASSETS</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 25</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 3	\$ -	\$ 3
Due To Other Funds	22	-	22
Total Liabilities	25	-	25
 Fund Balances:			
Restricted for:			
Utilities Assistance	-	-	-
<u>TOTAL LIABILITIES AND</u> <u>FUND BALANCES</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 25</u>

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Title III E</u> <u>Caregiver</u>	<u>Utilities</u> <u>Assistance</u>	<u>Total</u> <u>Nonmajor</u> <u>Special Revenue</u> <u>Funds</u>
REVENUES			
Intergovernmental:			
CENLA Area Agency			
on Aging	\$ 300	\$ -	\$ 300
State Contract	-	-	-
Public Support:			
LA Association of Councils on Aging	-	-	-
Client Contributions	-	-	-
Total Public Support	-	-	-
Total Revenues	300	-	300
EXPENDITURES			
Current:			
Salaries	404	-	404
Fringe	32	-	32
Travel	10	-	10
Operating Services	110	-	110
Operating Supplies	22	-	22
Other Costs	-	-	-
Total Current Expenditures	578	-	578
Capital Outlay	-	-	-
Utility Assistance	-	-	-
Total Expenditures	578	-	578
EXCESS OF REVENUES			
OVER EXPENDITURES	(278)	-	(278)
OTHER FINANCING USES			
Operating Transfers - In	-	-	-
Operating Transfers - Out	278	-	278
Total Other Financing Uses	278	-	278
EXCESS (DEFICIENCY) OF REVENUES AND			
OTHER FINANCING SOURCES OVER			
EXPENDITURES AND OTHER			
FINANCING USES	-	-	-
FUND BALANCES AT BEGINNING OF			
YEAR	-	-	-
FUND BALANCES AT END OF YEAR	\$ -	\$ -	\$ -

GENERAL FIXED ASSETS

FRANKLIN COUNCIL ON AGING, INC.
WINNSBORO, LOUISIANA

SCHEDULE OF GENERAL FIXED ASSETS

JUNE 30, 2021 AND 2020

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
<u>GENERAL FIXED ASSETS</u>				
Building Improvements	\$ 29,874	\$ -	\$ -	\$ 29,874
Vehicles	131,890	-	-	131,890
Office Furniture and Equipment	24,298	-	-	24,298
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 186,062</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,062</u>
<u>INVESTMENT IN GENERAL FIXED ASSET</u>				
Property Acquired Prior to July 1, 1985 *	\$ -	\$ -	\$ -	\$ -
Property Acquired After July 1, 1985				
With Funds From:				
Act 735 PCOA	18,843	-	-	18,843
General Fund	99,325	-	-	99,325
Title III- D Preventive Health	10	-	-	10
Title III- C-1	442	-	-	442
Title III- C-2	227	-	-	227
Title III- B Supportive Services	15,657	-	-	15,657
Title III- E Caregiver	14	-	-	14
Senior Center	14	-	-	14
Act 55 PCOA	8,831	-	-	8,831
Department of Transportation Sec. 5310 E&D	42,699	-	-	42,699
<u>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</u>	<u>\$ 186,062</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,062</u>

* Records reflecting sources from which assets were acquired were not maintained prior to July 1, 1985.

OTHER SUPPLEMENTAL INFORMATION

FRANKLIN COUNCIL ON AGING INC.
WINNSBORO, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
U.S. Department of Health & Human Services - Administration on Aging: Passed Through Governor's Office of Elderly Affairs: Aging Cluster of Special Programs for the Aging:				
Title III, Part B - Supportive Services	93.044	\$ 66,880	\$ 66,880	\$ 66,880
Title III, Part C - Congregate Meals	93.045	46,440	46,440	46,440
Title III, Part C - Home Delivered Meals	93.045	2,605	2,605	2,605
Title III, Part E - National Family Caregiver Support	93.052	300	300	300
Total of Aging Cluster		<u>116,225</u>	<u>116,225</u>	<u>116,225</u>
 <u>TOTAL FEDERAL AWARDS</u>		 <u>\$ 116,225</u>	 <u>\$ 116,225</u>	 <u>\$ 116,225</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Franklin Council on Aging, Inc.
Winnsboro, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Franklin Council on Aging, Inc. as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Franklin Council on Aging Inc.'s basic financial statements and have issued my report thereon dated October 14, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Franklin Council on Aging, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Franklin Council on Aging, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Franklin Council on Aging, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-1.

Franklin Council on Aging's Response to Finding

Franklin Council on Aging's response to the finding in our audit is described in the accompanying schedule of findings and questioned costs. The Council's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. The purpose of this report is for the information of management, the Governor's Office of Elderly Affairs and the Legislative Auditor and is not intended to be or should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is to be distributed by the Legislative Auditor as a public document.

David M. Abud, CPA (APSC)

West Monroe, Louisiana
October 14, 2021

FRANKLIN COUNCIL ON AGING, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

To the Board of Directors
Franklin Council on Aging, Inc.
Winnsboro, Louisiana

I have audited the financial statements of the Franklin Council on Aging, Inc. as of and for the year ended June 30, 2021, and have my report thereon dated October 14, 2021. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2021, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ☐ yes ☒ no

Significant Deficiencies not considered to be
Material Weaknesses ☒ yes ☐ no

Compliance

Compliance Material to Financial Statements ☐ yes ☒ no

B. Federal Awards

Material Weakness Identified ☐ yes ☒ no

Significant Deficiencies not considered to be
Material Weaknesses ☐ yes ☒ no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified ☐ Qualified ☐

Disclaimer ☐ Adverse ☐

Are their findings required to be reported in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)?
N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)
CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? N/A

FRANKLIN COUNCIL ON AGING, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Section II- Financial Statement Findings

2021-1 Bank Deposits Undercollateralized

Condition:

At June 30, 2021, one of the financial institutions that the Council keeps funds on deposit, let the amount of pledged securities lapse that were insuring the deposits on hand above the FDIC limit of \$250,000. The bank recognized this lapse subsequent to year end and pledged the proper amount of securities to cover the funds.

Criteria:

Louisiana Revised Statute 39:1225 requires each government to insure its cash balances from loss against custodial credit risk. A certain amount of a government's cash is insured from custodial credit risk through FDIC insurance. Often, however, a government's cash balances exceed the amount covered by FDIC insurance. When that occurs, state law requires that the government have an agreement with the bank for the bank to insure these excess balances from loss by pledging securities as collateral equal to or exceeding the amount of the excess balances. The bank may hold these securities themselves or give them to a third party to hold for them. If the bank fails, state law requires the financial institution holding these securities to advertise and sell the pledged securities within ten days of being notified by the government that the bank has failed to pay deposited funds upon request.

Recommendation:

I recommend that the Council check their pledged security statement every month so any shortfall in pledged securities can be adjusted immediately.

Response:

The Council has already discussed this issue with our bank and we are assured that they will do their best to not let this happen again in the future.

Section III- Federal Award Findings and Question Costs- N/A

FRANKLIN COUNCIL ON AGING, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

Section I- Internal Control and Compliance Material to the Financial Statements

No matters were reported.

Section II- Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III- Management Letter

No management letter was issued.

FRANKLIN COUNCIL ON AGING, INC.
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2021

	Executive Director Kay Thompson
Purpose	
Salary	\$ 55,845
Reimbursements	4,943
Total	<u>\$ 60,788</u>